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**ARIZONA CORPORATION COMMISSION**

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Chairman Jeff Hatch-Miller  
Commissioner Marc Spitzer  
Commissioner Bill Mundell  
Commissioner Mike Gleason

**Re: Potential electricity price gouging by RV parks**

Dear Colleagues:

Recently, it has come to my attention that some Recreational Vehicle (RV) Parks in our state may be artificially inflating electricity rates charged to their residents.

Many RV parks appear to be on a master meter system but charge residents separately for individual usage measured by independent meters at each home site. Currently, the prevailing standard rate for single-family homes in the Yuma area, which contains a number of RV parks, is 7.36c/kwh in the winter and range from 7.57c/kwh to 12.13c/kwh in the summer<sup>1</sup>. However, rates charged to RV Park residents in the area are often double these rates. For example, one Yuma RV Park charges 14c/kwh and another RV Park charges 16c/kwh, according to a survey of parks in the Yuma area conducted by the Arizona Association of Manufactured Homeowners. While to date a statewide survey of RV park electricity charges has not been conducted, it is not unreasonable to believe that some RV parks outside of Yuma are also charging utility rates that are greater than those actually charged by the jurisdictional utility.

These RV parks are essentially acting as unregulated utilities whose practices in this regard disadvantage the residents of some RV parks relative to other utility customers throughout our state.

The Mobile Home Parks Residential Landlord and Tenant Act maintains that if a mobile home park landlord charges separately for utilities, the utility charge may not exceed the single-family residential rate charged by the utility provider or the local serving utility<sup>2</sup>. No such language exists in the Recreational Vehicle Long-Term Rental Space Act and therefore acts as an effective

<sup>1</sup> These are the rates charged by Arizona Public Service, the utility that serves the Yuma area.

<sup>2</sup> Mobile Home Parks Residential Landlord and Tenant Act § 33-1413.01

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loophole allowing RV park landlords to charge these exorbitant rates.<sup>3</sup> This act also fails to require that written disclosure of these fluctuating rates charged by the park be made available to prospective tenants<sup>4</sup>.

This issue is of growing concern as more and more individuals and families are making these parks their place of permanent residence. Many of these residents are on a fixed income and often choose this living situation for its affordability. In particular, "Park Trailers" – trailer homes without an engine that are similar to manufactured homes under 400 square feet – are growing in popularity. Though these homes are much different than an RV in composition and permanence, they fall under the RV Long-Term Rental Space Act rather than the Mobile Home Parks Act that protects against price gouging.

I write today to request that the Commission consider ways to address this situation, including among other potential steps, supporting or sponsoring legislation that would amend the Recreational Vehicle Long-Term Rental Space Act in such a way that would prohibit RV parks from overcharging consumers or legislation that would bring any RV park that attempts to charge more than the prevailing rate under Commission jurisdiction.

Sincerely,



Kris Mayes  
Commissioner

Cc: Ernest Johnson  
Brian McNeil  
Heather Murphy

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<sup>3</sup>At least one other state – Texas – has taken steps to prevent RV Parks from charging more than the prevailing utility rate.

<sup>4</sup>Recreational Vehicle Long-Term Rental Space Act §33-2122